

# Housing: Executive Summary

|  | Three key housing related concerns emerged during the community survey process: affordability, quality of life, and livability of neighborhoods. Montgomery County recognizes that the neighborhoods provide the cornerstone for residents' sense of community, as well as their sense of safety and well-being. The housing chapter focuses on three primary issues:  •The provision of affordable housing; •The provision of livable manufactured housing parks; and •The provision of safe and livable neighborhoods and communities. |
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## Housing: Introduction

Housing, especially the provision of affordable housing, represents one of the greatest challenges facing Montgomery County and the New River Valley. While housing costs in the county are still reasonably low compared to other areas of the state, there are specific factors in the county which makes affordablity an issues, including low income scale and a large student population. The challenge for the county, over the next 25 years, will be in finding ways to mitigate these factors.

#### **COMMUNITY SURVEY RESULTS**

Three issues in the Community Survey dealt directly with housing: 1) affordable housing, 2) compact development (neighborhood design); and 3) the quality of mobile home parks. In addition, two of the planning related issues were also connected to housing: 1) concentrating growth where utilities are already provided; and 2) using the zoning ordinance to direct growth or protect property values. Of the five issues, affordable housing and the use of the zoning ordinance to either direct growth or protect property values generated the highest mean scores.

Seventy three percent (73%) of respondents identified "affordable housing" as either very important or important. In their written responses, participants' underscored their belief that housing affordability was one of the key issues facing the county. While most included brief references to affordable housing, some were far more specific, especially in terms of housing for low and middle income. As one participant noted, the issue centered on making "homes affordable according to the income of area residents." Another, combining the issues of affordable housing and zoning, suggested

that there should be a "revision of zoning to encourage development of affordable houses." A third respondent noted that the County should "provide an incentive for developers to build affordable, sustainable, safe, dependable housing for low and middle low income families in existing small villages."

While 55% of respondents identified the issue of manufactured housing and manufactured housing parks as either very important or important, very few of the written responses suggested overwhelming support for the existence of either. As one participant noted, "mobile home growth is out of control in Montgomery County...we are turning into a county-wide trailer park." A few of the

respondents felt that the county needed to focus on providing affordable housing as an alternative to manufactured housing and manufactured housing parks. Still others suggested that manufactured housing provided "a reasonable alternative to high priced conventional construction" or exemplified "communities-all development should learn from that." In short, respondents did not take a single view on the issue of manufactured housing in Montgomery County. While many of the written responses were negative, the majority of the same respondents recognized the need to upgrade existing facilities and hold developers of new facilities to higher standards, including:

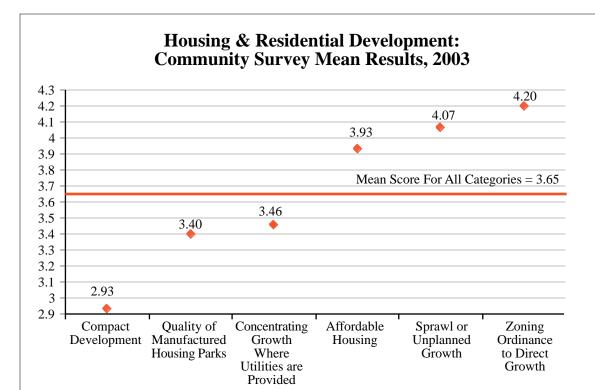
- Providing "guidelines for mobile home parks;"
- Require that "mobile home developers must conform to the same requirements we expect of neighborhoods... sidewalks, parks, paved roads;"
- "Have stricter rules/ laws governing appearance of such parks;" and
- "Have stricter rules or laws governing manufactured housing park ownership."

Issues of zoning and property values, for better or worse, cropped up throughout the responses, most notably in terms of mixed-income developments and the location of manufactured housing and manufactured housing parks. While some of the respondents felt that the county should employ "proper zoning...mobile homes should be zoned together, not mixed in among neighborhoods and high-income homes" and the county should "make plans or regulations on where trailers can be

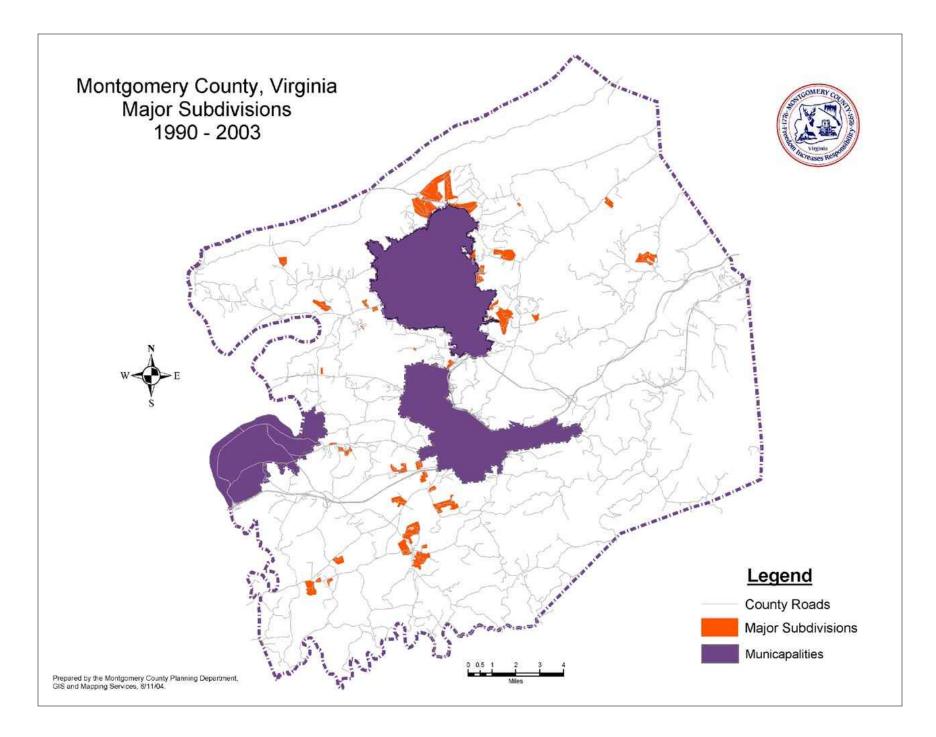
parked...put them in groups not just everywhere they want to put trailers," others saw the issues of zoning, aside from manufactured housing parks, as a way of insuring the "integrity of neighborhoods," which help to underscore "a sense of pride & community."

The issue of compact development produced some interesting responses. Only 40% of respondents ranked compact development as either important or very important; however 76% of the same respondents ranked the issue of uncontrolled growth and sprawl as either important or very important, and 79% identified open space preservation as being important or very important. Despite the relatively low percentage, participants' comments suggest a far greater support for concentrating growth near or in the urbanized core and existing villages and increasing the density of growth:

- "Balance the preservation of historical, forests, parks, open land spaces and the encouragement of development of industry and communities - which means the development of residential needs to calm down."
- "Densely developed, high-quality villages where all new development is on a grid system if possible and follows neo-traditional design & development ideas. This would preserve open space & contain sprawl while fostering a sense of community."
- "Since the county is an attractive place to live and work, and since it has all the human, intellectual, technological, and physical resources to grow, it will continue to do so, with inevitably less reliance on agriculture and more on research, technology & industry. It is easy to see a time (within the scope of this plan) where the Cburg/Bburg &

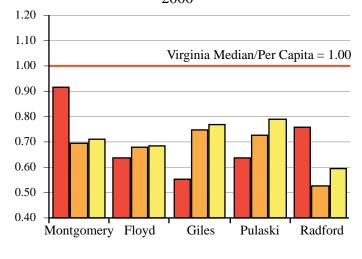


**Note:** Forty-one issues were included in the "rate this issue in terms of importance" portion of the community survey. A mean score was calculated for each of the 41 issues, as well as for the total of all issues. Issues with scores higher than 3.65 (the mean for all issues) indicate that the majority of respondents rated the issue greater importance; a score lower than 3.65 indicates that the majority of respondents rated the issue of less importance than the on average. The scale for the survey was: 0=no response; 1= not important; 2=minimally important; 3=moderately important; 4=important; and 5=very important. Source: 2003 Community Survey, Montgomery County, Virginia.



# Housing Affordability in Montgomery County, 1980-2000

Ratio of Local Median House Value, Median Household Money Income, and Per Capita Income to State Median, 2000

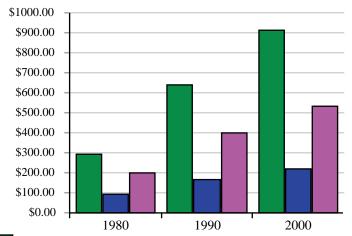


Median House Value

Median Household Money Income

Per Capita Income

### Cost of Housing in Montgomery County: Selected Monthly Owner Costs (Mortgaged and Not Mortgaged Owner Occupied Housing) and Gross Rent, 1980-2000



Median monthly costs, for owner occupied units, with mortgage

Median Monthly Costs for owner occupied units, without mortgage

Median Monthly Gross Rent

|      | With<br>Mortgage | Without<br>Mortgage | Gross Rent |
|------|------------------|---------------------|------------|
| 1980 | \$292.00         | \$91.00             | \$198.00   |
| 1990 | \$643.00         | \$164.00            | \$397.00   |
| 2000 | \$912.00         | \$219.00            | \$535.00   |

Note: While the presence of a large student population both in Montgomery County and the City of Radford contribute to the disparity between household income, personal income, and the cost of housing. there are other contributing factors, including a lower pay scale.

|                               | Montgomery | Floyd | Giles | Pulaski | Radford | Roanoke | Roanoke City | Salem | Virginia  |
|-------------------------------|------------|-------|-------|---------|---------|---------|--------------|-------|-----------|
| Median House Value            | 0.91       | 0.64  | 0.55  | 0.64    | 0.76    | 0.94    | 0.64         | 0.83  | \$125,400 |
| Median Household Money Income | 0.69       | 0.68  | 0.75  | 0.73    | 0.53    | 1.02    | 0.66         | 0.84  | \$46,677  |
| Per Capita Income             | 0.71       | 0.68  | 0.77  | 0.79    | 0.60    | 1.03    | 0.77         | 0.84  | \$23,975  |

Source: U.S. Census Bureau, 1980, 1990, and 2000; US Bureau of Economic Analysis, 2003

- Radford triangle becomes a much more densely populated and commercialized area."
- "I would like to see more concentrated development in the Blacksburg area. I would like to have minimal sprawl as a result of commercial and residential sprawl. I would like to have more concentrated growth in and around Blacksburg to provide closer communities and easier public transportation access."

The results suggest the need to balance a broad range of often conflicting concerns and the need to provide more public information about planning issues, including: 1) the conflict between retaining the rural character of the county; 2) large versus small lot development; and 3) increased urban- and suburbanization. One participant wrote that Montgomery County should "remain [a] small, friendly, [and] agricultural area, "but that "too many areas are ... allotted for subdivisions and other housing growth" that threatening the rural character. Another suggested keeping "residential/urban sprawl to a minimum either by increasing density or by lowering prices for people to own more land to prevent unnecessary development."

In addition to the issues included in the survey, respondents raised a number of other concerns, including residential neighborhood designs and quality, the increased need for senior housing, and the need for developers to carry their fair share of the cost of residential growth.

Although a few of the respondents felt that the county should continue to rely on and encourage large lot subdivisions, far more suggested that the county should concentrate on creating neighborhoods and villages.

### Montgomery County: Cost of Living and Cost of Housing.

**Cost of Living Index**. According to Bestplaces.net, cost of living categories are weighted as follows: housing (30%), good/groceries (15%), transportation (10%), utilities (6%), healthcare (7%) and miscellaneous expenditures, including clothes and services (32%)

| Town/City        | Overall | Housing | Food  | Transportation | Utilities | Health Care | Misc. |
|------------------|---------|---------|-------|----------------|-----------|-------------|-------|
| National Average | 100.0   | 100.0   | 100.0 | 100.0          | 100.0     | 100.0       | 100.0 |
| Blacksburg       | 96.6    | 103.5   | 92.9  | 94.4           | 81.8      | 92.4        | 96.7  |
| Christiansburg   | 96.1    | 101.3   | 93.0  | 94.7           | 81.5      | 92.3        | 97.5  |
| Radford          | 93.2    | 92.0    | 93.5  | 95.4           | 81.4      | 93.8        | 97.1  |
| Pulaski          | 93.6    | 92.9    | 94.6  | 95.1           | 82.5      | 92.4        | 97.0  |
| Roanoke City     | 110.9   | 145.6   | 94.4  | 89.1           | 82.3      | 95.2        | 98.8  |
| Salem            | 111.7   | 148.0   | 94.9  | 88.5           | 81.7      | 94.8        | 99.2  |
| Charlottesville  | 130.1   | 191.8   | 95.0  | 103.1          | 109.7     | 95.4        | 99.2  |
| Fredericksburg   | 112.5   | 107.8   | 108.7 | 136.1          | 102.2     | 121.9       | 112.1 |
| Harrisonburg     | 106.6   | 121.2   | 94.6  | 102.8          | 109.9     | 94.7        | 98.9  |
| Staunton         | 105.8   | 119.1   | 94.4  | 103.7          | 109.6     | 94.9        | 98.2  |
| Waynesboro       | 105.1   | 115.8   | 95.5  | 103.0          | 109.3     | 95.0        | 99.4  |

**Cost of Housing Index**: According to Bestplaces.net, the cost of housing index is based on home costs, rental costs, and property taxes.

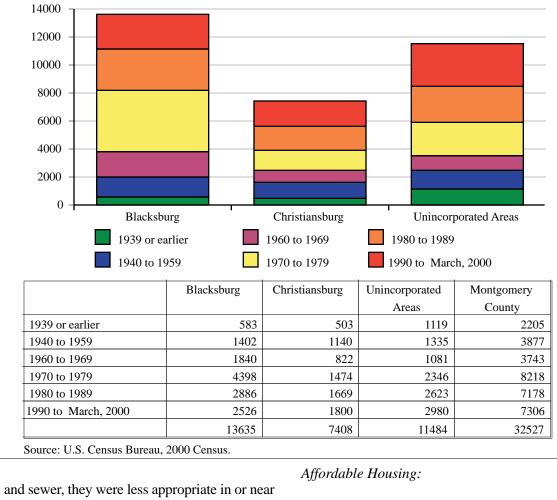
|                  | Median     | Rate of      | Property Tax     | Home Cost |
|------------------|------------|--------------|------------------|-----------|
| Town/City        | House Cost | Appreciation | Rate per \$1,000 | Index     |
| National Average | \$146,102  | 7.8%         | \$16.43          | 100.0     |
| Blacksburg       | \$120,440  | 7.0%         | \$11.80          | 103.0     |
| Christiansburg   | \$117,870  | 3.0%         | \$11.80          | 101.3     |
| Radford          | \$107,040  | 3.6%         | \$11.80          | 92.0      |
| Pulaski          | \$108,110  | 7.1%         | \$11.80          | 92.9      |
| Roanoke City     | \$169,400  | 6.2%         | \$12.40          | 145.6     |
| Salem            | \$172,140  | 6.1%         | \$12.40          | 148.0     |
| Charlottesville  | \$223,150  | 6.3%         | \$12.30          | 191.8     |
| Fredericksburg   | \$125,380  | 11.7%        | \$11.00          | 107.8     |
| Harrisonburg     | \$141,030  | 7.1%         | \$7.00           | 121.2     |
| Staunton         | \$138,510  | 6.9%         | \$11.80          | 119.1     |
| Waynesboro       | \$134,710  | 6.9%         | \$11.80          | 115.8     |

Sources: Bestplaces.net, 2003. Data based on information from 2000.

#### CURRENT AND HISTORICAL TRENDS AND CONDITIONS

Patterns of Residential Development.

Very few of the residential developments, built since 1990 interconnect with the surrounding area, thus lacking a sense of being integrated into the place in which they were built. Most were designed as discrete subdivisions rather than as part of the broader landscape, neighborhood, or village, and relied heavily on the use of street patterns (cul-de-sacs and circles) that were self-contained within the subdivision rather than providing connection and continuity between the subdivision and the adjacent villages or other subdivisions. In addition, the subdivision designs, while following traditional patterns of large lot suburbanization, provided no alternative interconnectivity, such as sidewalks, bikeways, and walkways. While the large lots were appropriate and often necessary in the outlying, rural portions of Montgomery County, where there is no access to public water

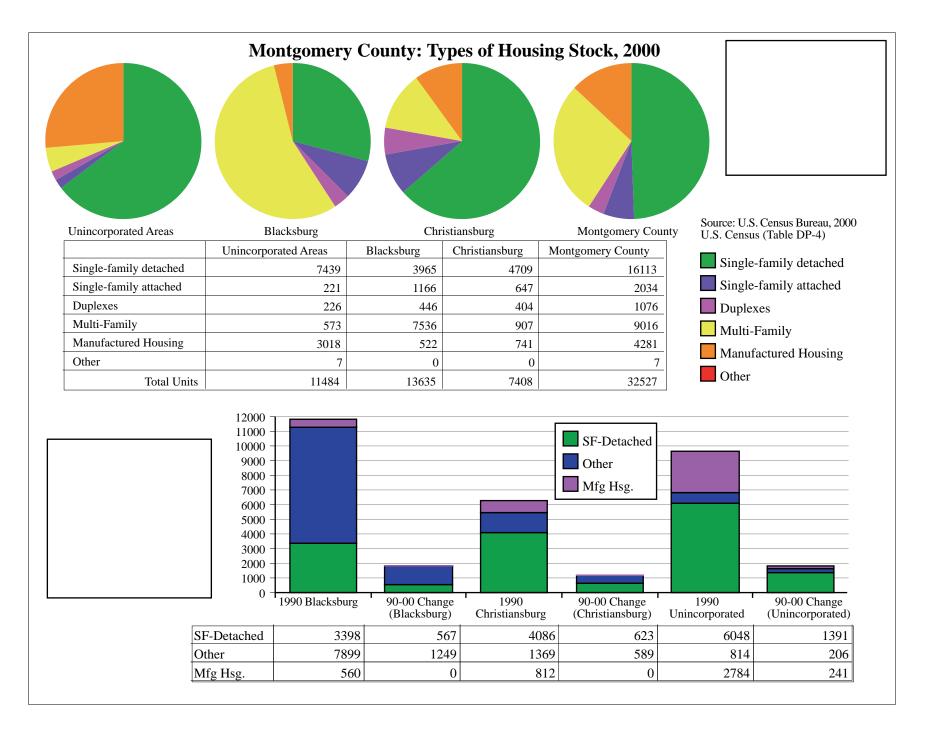


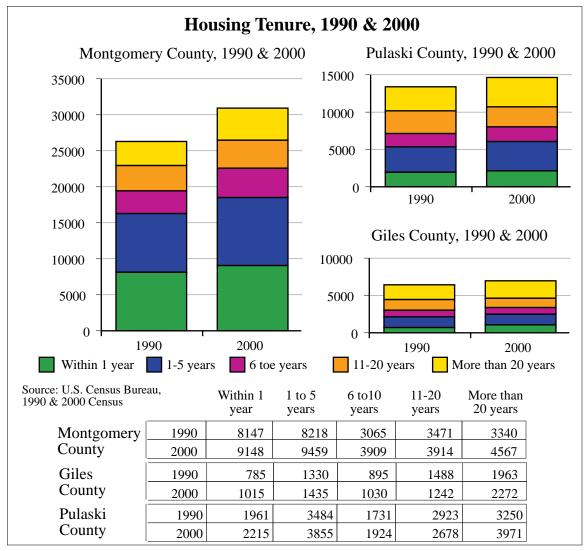
Montgomery County: Age of Housing Units, 2000

and sewer, they were less appropriate in or near the existing villages and urban core. This is especially true where the lack of interconnectivity and the visual disruption of existing development patterns led to a diminished sense of community and interconnectedness among residents. Families became less a part of adjacent communities and more identified with discrete subdivisions.

Under the Guidelines established by the Code of Virginia, jurisdictions must address the provision of affordable housing on a local basis while considering the regional needs:

"The plan shall include: the designation of areas and implementation of measures for the construction, rehabilitation and maintenance of affordable housing,





which is sufficient to meet the current and future needs of residents of all levels of income in the locality while considering the current and future needs of the planning district within which the locality is situated." (§15.2-2223).

In his report, "Housing Affordability in

Virginia," Dr. C. Theodore Koebel noted that the New River Valley had cost burdens, related to housing, at or above the national average, although he ascribed the cost burden to low income rather than necessarily high housing prices.

In the recently published *Cities Ranked and Rated* (2004), authors Bert Sperling and Peter

Sander of Bestplaces.net ranked the Blacksburg-Christiansburg-Radford MSA 8th among "Emerging U.S. Metropolitan Areas," with the cost of living index at 85.4. The Blacksburg-Christiansburg-Radford MSA ranked well above the other two Virginia locales included in the list: Winchester (ranked 17th), with a cost of living index of 88.2; and Harrisonburg (ranked 18th), with a cost of living index of 95.1. The authors saw the cost of living as one of the positive factors contributing to the area's overall ranking, however they, like Dr. Koebel, noted that the area was prone to low incomes. It should also be noted that the combine MSA score was significantly lower than individual community scores, suggesting that the surrounding rural areas contribute to the lowering of the overall cost of living in the area.

In 1980, the median value of a house was \$36,200. By 1990, that figure had climbed to \$71,700, representing a 98% increase in the value of single-family housing. In 2000, the U.S. Census Bureau listed the median value of a house, in Montgomery County, at \$114,600. Montgomery County has since gone through a reassessment, and, according to the County Assessor, the median assessed value of a house,

as of August 2003, is \$137,500, amounting to a 20% increase over the 2000 value, a 92% increase over the 1990 value, and a 280% increase over the 1980 value.

The median selected monthly costs of owner occupied housing units in 1980 was \$292 for those with a mortgage and \$91 with no mortgage. By 2000, those costs had risen to \$912 for those with a mortgage (a 212% increase) and \$219 for those without a mortgage (a 141% increase). The difference in the increase can be attributed to the construction of larger and more expensive housing stock, which would, presumably generate larger taxation and insurance costs. The increased value of the housing stock (both new and existing) is a double edged sword: while the existing stock also rises in value, so too do the insurance, taxation, and maintenance costs.

#### Age of Housing Stock:

Under normal circumstances, as housing ages, it shifts into the affordable price range. However, as the data suggests, Montgomery County, Blacksburg, and Christiansburg are not facing normal circumstances in the provision of affordable housing. In 2000, nearly 70% of the 32.527 housing units in Montgomery County were built since 1970. While multifamily, student housing in Blacksburg accounts for a large proportion of these units, the figures do suggest that there are fewer older affordable single-family houses available. Although there are exceptions, many of the houses in the established neighborhoods in Blacksburg have either not entered the affordable housing market or have become student housing, effectively keeping the values well above the affordability range or removing it from the market. According to bestplaces.net, the cost of housing in Blacksburg was 103.5% of national average,

compared to 101.3% in Christiansburg, 92% in Radford, and 92.9% in Pulaski.

*Type of Housing Stock:* 

Single-family dwellings (16,113 single-family detached units and 2,034 single-family attached units) account for 56% of the housing units in Montgomery County as a whole. Single-family detached units account for 49.5% of the housing stock in Montgomery County.

Multi-family dwellings account for 55.3% of the housing units in Blacksburg, according to the 2000 Census, but only account for 5% of the housing units in the unincorporated portions of the county and 12.2% in Christiansburg. Duplexes, which are somewhat more evenly distributed through out the county in terms of number, account for 3.3% of the total housing units in Blacksburg, 5.4% in Christiansburg, and 2.0% in the unincorporated portions of Montgomery County.

There is, however, a second way to look at single-family dwellings. While not generally added in to the single-family statistics, which most often focus on stick-built structures requiring building permits, most manufactured housing serves, in fact, single families. According to the 2000 Census, manufactured housing accounted for 26% of the housing

stock in the unincorporated areas of Montgomery County, 10% in Christiansburg, and 3.8% in Blacksburg. When added into the county single-family, stick-built, detached and attached dwellings, the percentage of residences which serve single families climbs to 92.7% of all housing.

Housing Stock: Tenure.

Initial data would indicate that tenure in housing units is fluid and far more transitory than in neighboring counties. According to the 2000 Census, 60% of householders had moved, at least once, in the period between 1995 and 2000. This compares to 35% of householders in Giles County and 41% in Pulaski County during the same period of time. The much higher rate of transience in Montgomery County can be attributed, in large part, to a significant student and graduate student population.

Low, Very Low, and Transitional Housing:

Currently, there are four transitional housing units, provided by Community Housing Partners, located in Christiansburg. No other transitional housing is available in Montgomery County, Blacksburg, or Christiansburg. Housing for low and very low income residents is currently supplied through the private and nonprofit sectors. According to the Council of Community Services, there are currently four apartment complexes in Christiansburg and five in Blacksburg which offer subsidized housing. Montgomery County does not, currently, have a housing authority.

## Housing: Goals

**HSG 1.0 Livable Neighborhoods**: Promote affordable, safe, livable neighborhoods for all residents. (1)

**HSG 1.1 Affordable Housing**. Promote affordable, quality housing for all income levels. (2)

HSG 1.1.1 Regional Housing Study. Work with the New River Valley Planning District Commission and member jurisdictions, including Virginia Tech and Radford Universities to do a comprehensive analysis of current housing conditions, housing affordability, and the impact of a large student presence on the availability of affordable housing in the region, and determine the best approaches to insuring the availability of quality housing across income levels.

**HSG 1.1.2** Adequate Zoning for Future Growth.

Conduct a zoning study to determine residential land use requirements for the next 20-25 years, in five year increments, including an evaluation of product type (single family attached and detached, multi-family, and manufactured; own/rent, price/rent categories) and estimated land required for each type of housing; and rezone sufficient lands, in appropriate areas (those areas served by public water and sewer) to accommodate future growth.

**HSG 1.1.3 Affordable Housing Incentives**. Provide incentives for affordable housing development. (3)

#### **Cross References and Notes:**

1. Livability, sustainability, and quality of life go hand-in-hand. While the plan implicitly addresses all three, specific references can be found in PNG 4.1.1: Livable Communities (pg. 68); PLU 3.0 Community Design (pg. 50); ECD 1.0: Economic Development, Land Use, and Quality of Life (pg. 99); HHS 1.0: Livable Communities (pg. 175); HHS 2.0: Quality of Life (pg. 175), and HSG 1.3: Safe Neighborhoods (pg. 190).

2. The Affordable Housing portion of the plan was based, in part, on recommendations from Wu Li and Dr. T. Koebel of Virginia Tech's Housing Institute.

3. 1) Reducing pre-development approval times; 2) Reducing the impact of government regulations on building cycle time; 3) Facilitating the development of Low Income Housing Tax Credit (LIHTC) properties with access to public water and sewer; 4) Providing density bonuses for developments that include affordable units; and 5) Establishing an ad-hoc advisory committee of for-profit and non-profit developers to advise the county on the impediments they face in developing affordable housing.

**HSG 1.1.4 Public/Private Partnerships.** Promote the development of public private partnerships to address the needs of moderate, low, and very low income residents. (4)

HSG 1.1.5 Public Information. Provide public information on programs that encourage the development of housing for moderate, low, and very low income individuals and families and programs that would promote affordable homeownership, including: 1) Below market interest programs; and 2) Homeownership counselling, credit counseling, and savings programs (Individual Development Accounts) (5)

**HSG 1.1.6 Very Low Income and Transitional Housing Needs:** Conduct a study of housing for very low income and transitional housing in Montgomery County and the Metropolitan Statistical Area

HSG 1.1.7 Grants Office. Promote the development of a regional grants office, through the New River Valley Planning District Commission, to develop joint-sponsored grants and public/private partnerships to address issues of affordable housing, housing for the very low income, and transitional housing in the region. (6)

#### **Cross References and Notes:**

4. In 1999, the U.S. Department of Housing and Urban Development (HUD) established new definitions of low and very low income. According to HUD, low income is defined as 80% of the area's median family income, and very low income is 50% of the area's median family income." In 2000, the US Census Bureau established the County's median family income at \$47,239. Given this, the low income designation would start at \$37,791 and very low income would begin at \$23,619. The HUD definitions are used to establish base eligibility for public housing and Section 8 housing programs. It should be noted, however, that the percentage of median varies based on the size of family and eligibility may be affected by local housing prices and other considerations.

5. General approaches to public information are addressed in PNG 2.2: Informing the Public (pg. 67) and CRS 2.1.3 Libraries: Public Information: Technology (pg. 82)

6. The need for a grants office is also addressed in ENV 3.4.1 Streams and Rivers: Grants (pg. 141) and HHS 3.1.1 County Office on Cooperation (pg. 176).

#### **HSG 1.2 Manufactured Housing and Housing Parks**:

Actively encourage the development and maintenance of livable manufactured housing parks inorder to facilitate a community ethos.

- **HSG 1.2.1 Manufactured Housing Park Standards.** Develop prototype standards for improving site design, including landscaping and buffering standards, amenities standards, and public facility standards.
- **HSG 1.2.2 Maintenance Standards.** Develop maintenance standards for mobile home parks and HUD-code housing units.
- **HSG 1.2.3 Recycling/Salvage Program.** Develop a recycling/salvage program for old, obsolete manufactured housing that would encourage replacing occupied, obsolete mobile homes and discourage abandonment and neglect.

- **HSG 1.3 Safe and Livable Neighborhoods.** Promote the use of safe and livable neighborhood designs in residential development. (7)
  - **HSG 1.3.1 Mixed Use Neighborhoods**. Encourage the development of planned, mixed use, pedestrian and transit friendly neighborhoods, which would combine office, commercial, residential, recreational uses into a single development.
  - **HSG 1.3.2 Public Information:** Provide residents and developers information on "safe neighborhood," transitoriented, and traditional neighborhood (TND) design and development.
  - HSG 1.3.3 Safe Neighborhoods and Transportation. Encourage intra- and inter-connectivity of roads, bikeways, and walkways in new residential developments in order to promote increased sense of community and safety, while decreasing traffic concentration.

#### **Cross References and Notes:**

<sup>7.</sup> The concept of safe and livable neighborhoods is implicitly embedded in the land use policies associated with Villages (PLU 1.7, pg. 43), Village Expansion Areas (PLU 1.6, pg. 41), and Urban Expansion Areas (PLU 1.8, pg. 45), as well as the Community Design policies (PLU 3.0, pg 50; see, also, footnote # 1 (pg 189) for other references.